

Conference Engrossed

State of Arizona  
Senate  
Forty-fifth Legislature  
First Regular Session  
2001

CHAPTER 362

# SENATE BILL 1246

AN ACT

ESTABLISHING MUNICIPAL, COUNTY AND COMMUNITY COLLEGE EXPENDITURE LIMITATIONS  
AND DISPROPORTIONATE SHARE FUNDING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Computing municipal, county and community college  
3 expenditure limitation; fiscal years 2001-2002 and  
4 2002-2003; penalty

5 A. The legislature finds that the reduction in the GDP price deflator  
6 index currently used to compute city, town, county and community college  
7 district expenditure limitations has resulted in limitations that do not  
8 accurately reflect the effect of inflation on the budgets of political  
9 subdivisions.

10 B. Notwithstanding section 41-1279.07, subsections G and H, Arizona  
11 Revised Statutes, for fiscal years 2001-2002 and 2002-2003 the penalties for  
12 violating the expenditure limitations as computed pursuant to section 41-563,  
13 Arizona Revised Statutes, are one hundred dollars if the expenditures of  
14 local revenues by the city, town, county or community college district do not  
15 exceed the expenditure limitation for fiscal year 1999-2000 multiplied by the  
16 percentage change in population and multiplied by the inflation factor of  
17 1.0609 for 2001-2002 and 1.092727 for 2002-2003.

18 C. For purposes of this section:

19 1. The percentage change in population for cities, towns and counties  
20 shall be computed for 2001-2002 by dividing the 2000 population estimate by  
21 the 1998 population estimate and for 2002-2003 by dividing the 2001  
22 population estimate by the 1998 population estimate. In this paragraph,  
23 "population estimate" means the population estimate computed by the  
24 department of economic security and generally used in computing the annual  
25 expenditure limitations for cities, towns and counties.

26 2. The percentage change in population for community college districts  
27 shall be computed for 2001-2002 by dividing the fiscal year 2001-2002  
28 population estimate by the fiscal year 1999-2000 population estimate and for  
29 2002-2003 by dividing the fiscal year 2002-2003 population estimate by the  
30 fiscal year 1999-2000 population estimate. In this paragraph, "population  
31 estimate" means the estimate of full-time equivalent students submitted to  
32 the economic estimates commission pursuant to section 15-1425, paragraph 14,  
33 Arizona Revised Statutes.

34 Sec. 2. County expenditure limitations; disproportionate share;  
35 fiscal year 2000-2001 adjustment formula

36 A. As a result of the transfer of funding for disproportionate share  
37 health services from the counties to the state and federal governments for  
38 fiscal year 1991-1992 through fiscal year 2000-2001, the economic estimates  
39 commission shall decrease the base limit of each county in which the county  
40 hospital receives state and federal disproportionate share payments in fiscal  
41 year 1991-1992 as follows:

42 1. Divide the amount of the state and federal disproportionate share  
43 payments received by the county hospital in fiscal year 2000-2001 by the GDP  
44 price deflator, as defined in section 41-563, Arizona Revised Statutes, for  
45 the same fiscal year used to calculate expenditure limitations for fiscal

1 year 2000-2001, and multiply the resulting quotient by the GDP price deflator  
2 determined for fiscal year 1979-1980.

3 2. Divide the amount determined in paragraph 1 of this section for  
4 fiscal year 2000-2001 by the population of the county, as defined in article  
5 IX, section 20, subsection (3), paragraph (f), Constitution of Arizona, for  
6 the same fiscal year used to calculate expenditure limitations for fiscal  
7 year 2000-2001, and multiply the resulting quotient by the population of the  
8 county for fiscal year 1979-1980.

9 B. The economic estimates commission shall adjust the county  
10 expenditure limitations for fiscal year 2000-2001 based on this section. The  
11 calculation shall use the same base limit of \$156,635,737 for Maricopa county  
12 and \$93,755,872 for Pima county for purposes of determining the adjustment.

13 Sec. 3. County expenditure limitation; disproportionate share;  
14 fiscal year 2001-2002

15 As a result of the elimination of the transfer of funding for  
16 disproportionate share health services from the counties to the state and  
17 federal governments beginning with fiscal year 2001-2002, the county  
18 expenditure limitations shall be adjusted beginning with fiscal year  
19 2001-2002. The economic estimates commission shall increase the base limit  
20 of each county by the amount the base limit was decreased for fiscal year  
21 2000-2001 pursuant to section 2 of this act, relating to county expenditure  
22 limitations in fiscal year 2000-2001.

~~APPROVED BY THE GOVERNOR MAY 7, 2001.~~

~~FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 8, 2001.~~





HOUSE FINAL PASSAGE  
as per Joint Conference

Passed the House \_\_\_\_\_, 20\_\_\_\_,

by the following vote: \_\_\_\_\_ Ayes,

\_\_\_\_\_ Nays, \_\_\_\_\_ Not Voting

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Chief Clerk of the House

SENATE FINAL PASSAGE  
as per Joint Conference

Passed the Senate May 2, 2001,

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

Randall Arant  
President of the Senate

Charmine Bellinger  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor

this 2 day of May, 2001,

at 2:25 o'clock P M.

Jandra Ramirez  
Secretary to the Governor

Approved this 7 day of

May, 2001,

at 3:31 o'clock P M.

Jan Brewer  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 8 day of May, 2001,

at 2:35 o'clock P M.

Betsy Bayless  
Secretary of State

S.B. 1246